

Council Central Staff Memo

From: Dan Eder & Mike Fong

To: Councilmember Rasmussen, Transportation Committee Chair
Councilmember Godden, Transportation Committee Member
Councilmember Harrell, Transportation Committee Member
Councilmember Burgess, Government Performance & Finance Chair

Re: 2012 Parking Occupancy Study

Date: 3/6/13

The 2013 Adopted Budget contemplates no changes to paid parking rates and includes no appropriations to implement any such changes. On February 20, 2013, the Mayor announced changes to the Chinatown/ID parking area based on data in the 2012 occupancy study; he indicated that SDOT would soon be ready to release the full 2012 occupancy study showing data not only for Chinatown/ID but also for the other parking areas throughout the City. SDOT transmitted the 2012 occupancy study summary document on February 27, 2013.

In this memo, Central Staff describes the planned changes to the Chinatown/ID parking area and concludes that many planned changes do not appear to be supported by the 2012 occupancy study data. Further, absent other considerations, it appears that the data supports lowering rates in many other parking areas.

1. Policy Framework / Background

SMC 11.16.121 provides that:

The Director of Transportation is authorized to set parking rates up to \$4.00 per hour ("Maximum Hourly Rate"). When parking rates are in effect, parking rates shall be set no lower than \$0.75 per hour ("Minimum Hourly Rate").

The Director shall establish on-street parking rates and shall adjust parking rates higher (up to the Maximum Hourly Rate) or lower (as low as the Minimum Hourly Rate) in neighborhood parking areas based on measured occupancy so that approximately one or two open spaces are available on each block face throughout the day in order to:

- *Support neighborhood business districts by making on-street parking available and by encouraging economic development;*
- *Maintain adequate turnover of on-street parking spaces and reduce incidents of meter feeding in commercial districts;*
- *Encourage an adequate amount of on-street parking availability for a variety of parking users, efficient use of off-street parking facilities, and enhanced use of transit and other transportation alternatives; and,*
- *Reduce congestion in travel lanes caused by drivers seeking on-street parking.*

The 2012 occupancy study suggests that SDOT has adopted a practice of evaluating occupancy against the target range (one to two open spaces per block face) using an average observed occupancy during the highest 3 non-consecutive daytime hours (8 AM to 3 PM, inclusive). SDOT also measures and documents occupancy at the 7 PM hour; however, it is not clear whether or if so how such evening occupancy data will be explicitly factored into SDOT's decisions about rate-setting.

2. Changes to parking areas during 2012

During 2012, SDOT implemented changes to hourly rates and made other changes in on-street paid parking areas based on occupancy data collected in 2011. In 2012, SDOT raised the hourly rates in 5 areas (about 15% of total spaces) and lowered them in 4 others (about 10% of total spaces).

In other areas, SDOT implemented parking management changes in lieu of rate changes in an effort to increase occupancy. For instance, SDOT changed the maximum allowed parking time in some low-occupancy areas to encourage more drivers to park in those areas. For instance, SDOT determined that parking occupancy was unevenly distributed; and as a result SDOT re-mapped each area into two smaller subareas, allowing a more fine-grained application of rates, maximum allowed time limits, and other parking management decisions.

Though the subject of much discussion, SDOT had until February 20, 2013 maintained the City's aging pay stations were not capable of communicating enough information to enable collecting differential prices by time of day. As a result, this particular tool has not been utilized for parking management purposes to date.

3. Chinatown/ID – Analysis of Recently Proposed Changes

On February 20, 2013, the Mayor announced that SDOT will implement changes to the Chinatown/ID parking area based the 2012 occupancy study and policy guidance from the City Council.

The Mayor's blog post on this says: "[O]ccupancy data was gathered, looking block by block in the neighborhood to determine appropriate rates. Based on this data, we are going to change parking rates and hours on specific blocks in the [Chinatown/ID] neighborhood." Also announced (in summary):

- SDOT will create two distinct on-street parking areas from the existing Chinatown/ID on-street paid parking area. There will be a "core" subarea (150 spaces) and a "periphery" subarea (300 spaces), similar to actions taken in previous years in the University District, Uptown, and elsewhere.
- In the new core subarea, SDOT will:
 - lower evening rates to \$1.50/hr starting at 5 PM
 - keep rates at \$2.50/hr until 5 PM
- In the new periphery subarea, SDOT will:
 - eliminate evening rates after 6 PM
 - lower daytime rates to \$2.00/hr

Central Staff Findings re: Chinatown/ID:

- The 2012 occupancy study data does not appear to support eliminating evening parking rate collection in approximately 300 Chinatown/ID area spaces or reducing the price of evening parking rate collection in the remaining 150 spaces.
- SDOT's plans for the Chinatown/ID would be the first time the City has implemented one rate during the daytime and a different rate (in this case, lower than the daytime rate) during the evening. It is not yet clear what caused SDOT to select this area for such differential rates or exactly what led to the new conclusion that it is feasible.
- Evening parking occupancy in the area overall was 85% (above the target range of 67% to 83%). The occupancy data actually supports maintaining evening hours in both the core (consistent with proposal) and in the periphery (contrary to proposal); and furthermore the data suggests increasing the evening hourly rate in both subareas to achieve policy objectives (contrary to proposal).
- Daytime parking occupancy in the area overall was 71% (squarely within the target range of 67% to 83%; this suggests daytime rate should remain unchanged absent proposed changes to the geography/subareas).
- There is not enough detailed information in the summary report about occupancy in the core vs. periphery to evaluate whether the proposed lower rates in the periphery are warranted. However, at 71% overall occupancy during daytime hours, it is plausible that the periphery subarea occupancy is indeed below the target range while the core subarea is at or above the target range.

4. Areas with Low Occupancy

As discussed above, the 2012 occupancy data for the Chinatown/ID does not appear to support the proposed changes to evening rates, and it is somewhat inconclusive with regard to day time rates. However, the 2012 occupancy report identifies 13 other parking areas where – all other things being equal – rates would be expected to decrease. In 6 of these 13 areas, evening rates are not collected; in the remaining 7 areas, evening rates are collected.

There has been no announcement to date about whether SDOT intends to take action to lower rates in any of these areas during 2013 or – assuming similar results from the 2013 occupancy study – in 2014. It is worth noting that SDOT's 2013 adopted budget included no appropriations authority for implementing rate changes or other parking management decisions. This is consistent with the proposed budget and with SDOT's statements during the budget adoption process that no such changes were planned during 2013.

Central Staff Findings re: Areas with Low Occupancy (see details in Appendix A):

- There are six areas without evening hours in which observed occupancy was significantly below the target range. All other things being equal, the policy guidance in the SMC would suggest that SDOT should lower rates in each of these areas.
- Daytime occupancy is also lower than the target ranges in seven other areas with evening rate collection. All other things being equal, the policy guidance in the SMC would suggest SDOT should lower rates in each of these areas. Note that SDOT's methodology for evaluating the SMC policy guidance considers only daytime occupancy, but there are other evaluation approaches that could reasonably be employed.
 - In two areas (Belltown North and University District Periphery), occupancy is too low in both daytime and evening. Rates are too high in these areas.
 - In two other areas (Uptown Core and Uptown Periphery), occupancy is too low in daytime but within target in the evening. Rates are too high in these areas using SDOT's evaluation methodology, but rates could be appropriate after taking into consideration evening hours.
 - In three areas (Belltown South, Capitol Hill South, and Pike-Pine), occupancy was too low during the daytime but too high during evening. SDOT might reasonably:
 - a) change its evaluation methodology to consider evening hour occupancy (in which case rates may increase in one or more of these areas) or
 - b) implement differential prices by time of day as they plan to do in Chinatown/International District, although in these areas occupancy suggests lowering rates during daytime and increasing rates during the evening.

5. Areas above the daytime target range

The 2012 study indicates SDOT will evaluate daytime occupancy using the highest 3 non-consecutive hours before 4 PM. On this basis, it appears there were no parking areas in the city with observed 2012 occupancy above the parking area's target range. The policy implication is that no areas need higher rates to achieve the target of one to two open spaces per block face.

6. Policy Questions

- a) Given the parking occupancy report data and the City's existing policy for setting parking rates, does Council have an interest in providing guidance to the Executive on how to proceed with future rate setting?
- b) If rates can be set only once and then be in effect for all hours of rate collection in any given area, what alternatives are there to SDOT's current approach for rate setting? Specifically, does Council agree that late afternoon and evening hours should not be considered when establishing rates for an area?

- c) If on the other hand SDOT can set different hourly rates during one or more time periods during the day (e.g., within a parking area, daytime rates and evening rates need not be the same), how should SDOT select parking areas in which to apply differential rates and on what basis should SDOT establish the rates in any selected area?
- d) SDOT has attempted to apply management techniques (increasing length of stay, dividing areas in subareas, implementing “After 5” program) to some areas where observed occupancy does not meet policy targets. Does Council want to articulate expectations or take legislative action to set expectations/requirements about when rate changes are warranted?
- e) Are there circumstances in which SDOT should remove pay stations from paid-parking areas? For instance, some areas have persistently failed to meet occupancy targets over multiple years even after lowering the hourly rate to the minimum \$1.00 threshold and after attempting management techniques?

7. Options

a) Chinatown/ID

Option 1: Public discussion about how data in the 2012 occupancy study supports or does not support proposed implementation of some proposed changes in the Chinatown/ID.

Option 2: More definitive action, conceivably adding detailed requirements to the SMC about when rate changes should be taken (as opposed to other management responses) based on the annual occupancy study data.

Option 3: No action.

b) Other parking areas

Option 1: Public discussion about whether data in the 2012 occupancy study does or does not support lowering rates in many other parking areas.

Option 2: More definitive action effectively forcing action to lower the rates in some/all of these areas. Initial ballpark estimates indicate this could result in up to \$3M in annual reductions to general fund revenues (plus supplemental appropriations to implement the rate changes).

Option 3: No action.

Appendix A: 2012 Occupancy Study - Areas with Observed Daytime Occupancy Below Target

Areas Without Evening Parking

		Low Target	High Target	2011 Daytime	2012 Daytime	2012 Evening	2011 Rate	2012 Rate	2012 vs 2011 Rate	Other Changes in 2012
1	Ballard Periphery	80%	90%	40%	50%	n/a	\$ 1.50	\$ 1.50	No change	Implemented 4-hour time limits
2	Denny Triangle North	71%	86%	34%	45%	n/a	\$ 2.00	\$ 2.00	No change	Implemented 4 time limits
3	Pioneer Square Periphery	78%	89%	53%	69%	n/a	\$ 3.50	\$ 3.00	2012 decrease	None noted
4	Roosevelt	75%	88%	48%	57%	n/a	\$ 1.00	\$ 1.00	No change	Implemented 4-hour time limits
5	Uptown Triangle	80%	90%	31%	57%	n/a	\$ 1.00	\$ 1.00	No change	Implemented 10-hour time limits
6	Westlake Ave. N.	78%	89%	34%	60%	n/a	\$ 1.00	\$ 1.00	No change	Implemented 7-hour time limits

Areas With Evening Parking

1	Belltown North	71%	86%	36%	44%	62%	\$ 2.00	\$ 2.00	No change	Implemented 4-hour time limits
2	University District Periphery	80%	90%	38%	54%	56%	\$ 1.50	\$ 1.50	No change	Implemented 4-hour time limits
3	Uptown Core	75%	88%	53%	67%	88%	\$ 1.50	\$ 1.50	No change	"After 5" max time becomes 3 hrs
4	Uptown Periphery	75%	88%	41%	72%	78%	\$ 1.50	\$ 1.50	No change	Implemented 4-hour time limits
5	Belltown South	78%	89%	63%	72%	93%	\$ 2.00	\$ 2.50	2012 increase	"After 5" max time becomes 3 hrs
6	Capitol Hill South	67%	83%	39%	41%	100%	\$ 3.00	\$ 2.50	2012 decrease	"After 5" max time becomes 3 hrs
7	Pike-Pine	72%	86%	74%	58%	100%	\$ 2.00	\$ 2.00	No change	"After 5" max time becomes 3 hrs

	Chinatown/ID	67%	83%	72%	71%	85%	\$ 2.50	\$ 2.50	No change	None noted
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%	Occupancy lower than target; all other things being equal, rates should decrease.
%	Occupancy within target; all other things being equal, rates should remain unchanged.
%	Occupancy lower than target; all other things being equal, rates should increase.